

Antelope Valley-East Kern Water Agency
Antelope Valley State Water Contractors Association
City of Lancaster
City of Palmdale
County Sanitation Districts Nos. 14 and 20 of Los Angeles County
Littlerock Creek Irrigation District
Los Angeles County Waterworks District No. 40
Palmdale Water District
Quartz Hill Water District
Rosamond Community Services District

April 28, 2008

Governor Arnold Schwarzenegger
State Capitol Building
Sacramento, California 95814

Lester A. Snow, Director
Department of Water Resources
1416 Ninth Street
Sacramento, California 95814

Dorothy R. Rice, Executive Director
California Water Resources Control Board
1001 I Street
Sacramento, California 95814

Dear Gov. Schwarzenegger, Director Snow, and Executive Director Rice:

**Allocation of Remaining Integrated Regional Water Management
Grant Program Funds for Proposition 50, Chapter 8 to Southern California**

On behalf of the 11 member agencies of the Antelope Valley Regional Water Management Group (RWMG) listed above, we would like to request that all of the remaining \$51.8 million in Proposition 50, Chapter 8 funds be awarded to integrated regional water management groups in Southern California. The RWMG completed an Integrated Regional Water Management Plan (IRWMP) in November 2007 and adopted it in December and January. A total of over 40 stakeholder groups participated in the preparation of the IRWMP. The grant application for Proposition 50, Chapter 8, Round 2 funding was submitted to the State on January 28, 2008. Draft funding recommendations from the Department of Water Resources and the California Water Resources Control Board are expected in May 2008.

The reasons we are requesting that the remaining Proposition 50 funds be allocated to integrated regional water management groups in Southern California are as follows:

1. Equity

Funds from Proposition 50, Chapter 8, Round 1 were overwhelmingly awarded to Northern California, leaving Southern California at a disadvantage for project grants. According to the Department of Water Resources Web site at www.grantsloans.water.ca.gov, a total of \$307 million in grant funds were awarded during the first funding cycle, with \$182 million awarded to Northern California and \$125 million awarded to Southern California. To promote funding parity between Northern and Southern California, all of the remaining Proposition 50 funds should be awarded in Southern California. It may be noted that even if all of the remaining \$51.8 million in funds were allocated to Southern California, the overall awards would still be greater for Northern California.

2. Dependence on Imported Water is More Critical

Southern California depends more heavily on imported water sources for drinking water supplies, including both the Colorado River and the State Water Project. For example, the State Water Project provides approximately 62 percent of annual Table A entitlements to agencies in Southern California. Because of this dependence, drought conditions in the Sierras, the Colorado River watershed, and local watersheds have affected Southern California severely over the past decade and have led to a situation of extremely limited water supplies. Southern California has also been greatly impacted by water restrictions imposed on pumping in the Sacramento Delta. Since one of the program preferences of the IRWMP legislation is to "support and improve local and regional water supply reliability," the funds are needed more urgently for projects in Southern California to reduce dependence on imported water.

3. Commitment

Regional Water Management Groups in Southern California have developed IRWMPs using their own funds, without the benefit of Proposition 50, Chapter 8 planning grants. This demonstrates a local and regional commitment to integrated regional planning for water resource management and demonstrates that certain priority projects are ready for implementation.

4. Greater Need

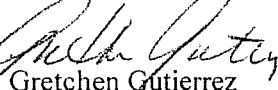
The \$51.8 million in available grant funds represents less than 6 percent of the total water infrastructure needs for Southern California. According to the Department of Water Resources website at <https://faast.waterboards.ca.gov/PublicProposalsSearchCriteria.asp>, the total project budget for the IRWM groups in Southern California is \$937.7 million. By comparison, the total project budget for the IRWM groups in Northern California is \$184 million. The need for project implementation funding in Southern California is greater.

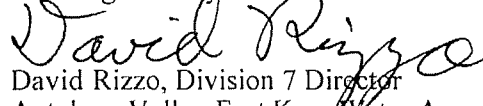
Thank you for your time and consideration of this matter. We look forward to the public meeting for the Round 2 Prop 50 Draft Funding Recommendations on May 8.

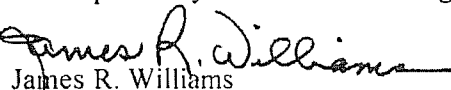
Sincerely,

Antelope Valley Regional Water Management Group
Leadership Team



Wayne Argo, Director
Association of Rural Town Councils



Gretchen Gutierrez
Executive Director, Antelope Valley Region
Building Industry Assoc. of Southern California


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